



Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources	Cabinet	19 October 2022

Capital Programme Review and Monitoring Report

1 Purpose of report

- 1.1 To consider the review of the 2022/23 Capital Programme and progress of schemes for the five month period covering the period from April 2022 to 31 August 2022, undertaken by spending officers. Noting amendments to the Capital Programme since it was last reported to Cabinet and the financial impact over the term of the Programme, through to the end of 2026/27.

2 Outcomes

- 2.1 The delivery of the Capital Programme and its monitoring will demonstrate good financial management by ensuring that the Programme is soundly based and designed to deliver the Council's strategic priorities.

3 Recommendations

- 3.1 That the 2022/23 Capital Programme, and its funding, totalling £14,922,641 be approved, noting the following specific amendments:

Additional external funding received:

- Additional £75,000 funding from Regenda Housing Association, which will enable increased expenditure on Disabled Facilities Grants in 2022/23.

Multi-year scheme re-profiling:

- Wyre Beach Management – following project delays, the expenditure for the scheme has been re-profiled. There has been no change to the overall allocation of £42,566,934 from the Environment Agency. Delays have led to a reduction in expenditure in 2022/23 amounting to £3,324,754, which will now move to future years.
- Innovative Resilience Fund ECO-CoBS project - additional expenditure of £422,000 in 2022/23, as part of the full project

spend of £6,830,000, with funding received from the Environment Agency and DEFRA. The total project expenditure, completing in 2026/27, is based on initial scheme allocations and may be subject to change.

Portfolio Holder approval:

- £1,102,829 expenditure on heat decarbonisation works and energy efficiency measures at Fleetwood Market, funding from the Department for Business Energy and Industrial Strategy (BEIS) via the Public Sector Decarbonisation Scheme and Capital Receipts (Portfolio Holder decision 02/03/22).
- £53,340 expenditure on Copse Road Depot VMU Roller Shutter doors to be funded from Capital Receipts (Portfolio Holder decision 31/03/22).
- £65,304 expenditure on Changing Places facilities at Central Car Park at Fleetwood, funding from the Department for Levelling Up, Housing and Communities, contribution from Fleetwood Town Council and Capital Receipts (Portfolio Holder decision 26/05/22).
- £23,118 expenditure on Thornton-Cleveleys Duck Pond Shelter, funded from the Insurance Reserve and a £6,156 contribution from our insurers. (Portfolio Holder decision 18/08/22).

3.2 That the Capital Programme over the term through to the end of 2026/27 totalling £67,384,731 be approved.

3.3 That the progress of, and expenditure incurred on, capital schemes for the first five months of the 2022/23 financial year is noted.

4 Background

4.1 As part of the council's Performance Management process, spending and financial officers review the progress of capital scheme expenditure against the approved Programme. These reviews are carried out at least three times a year to coincide with key budget planning cycles. The summary results of this first review of the 2022/23 programme, as at 31 August 2022, are contained in Appendix 2.

4.2 The Original Capital Budget for 2022/23 was set at £10,094,588 (see Cabinet report 16/02/22). Details of the changes to funding since then (as shown in Appendix 1) can be found in the appropriate Cabinet, Audit Committee and Portfolio Holder reports. Details concerning spend to date, the schemes' year-end position and budget changes can be found in Appendix 2.

5 Key issues and proposals

5.1 Appendix 2 shows actual costs and commitments totalling £4,201,155 up to the end of August against the full year budget of £14,922,641, representing an aggregate spend of 28%. The scheme variations of spend against full year budget are shown in Appendix 2. Creditor adjustments processed as part of the 2021/22 accounts process,

totalling £3,920 for which invoices have yet to be received or processed, have been excluded from the actual costs and commitments figure provided above.

5.2 The current 2022/23 Capital Programme includes 22 schemes that have been slipped from 2021/22. These schemes were reported to the Audit Committee on 27 September 2022 as part of the 2021/22 Final Accounts report (pre-audit) and can be seen at Appendix 4.

5.3 As a result of the period five review with spending officers, when compared to the current approved Budget, the predicted underspend in 2022/23 is expected to be approximately £299,000. The main contributors are:

- £7,000 - Jubilee Gardens Refurbishment
- £11,000 - King George's Playing Field Phase 3
- £17,000 - Empty Homes;
- £20,000 - Preesall Playing Fields Environmental Improvements
- £244,000 - Vehicle Replacement Programme

For delayed projects, which are not completed at the end of the financial year, there is a mechanism in place to carry forward funds into future years.

5.4 Neighbourhood Services and Community Safety Portfolio

5.4.1 Disabled Facilities Mandatory Grants – actual spend up to the end of period five is £945,752. Officers anticipate that expenditure will be within budget at year end. Regenda have provided funding totalling £75,000, which will enable further works to be undertaken, with the capital budget being amended accordingly.

5.4.2 Rossall Seawall Improvement Works – currently this scheme is underspending but it is anticipated that the budget will be fully utilised by the end of the year.

5.4.3 Wyre Beach Management – the setting up of the site compound at Jubilee Gardens commenced 12 September 2022, this will enable the Phase 1 works to start in March 2023. Work is ongoing with the MMO to ensure that the relevant licence is in place by March, with completion of Phase 1 works in July 2023. Phase 2 is due to start following the completion of Phase 1 works. Wyre Council are currently working with the Environment Agency for additional funding for the scheme due to inflationary pressures. The current budget is reflective of the full project with an estimated cost of £42.6 million utilising funding from the Environment Agency, with completion of the project in 2025/26.

5.4.4 Innovative Resilience Fund ECO-CoBS – the Environment Agency (EA) has awarded the council a total allocation of £6,790,000 for the development of ECO-CoBS (Ecological Community Owned Coastal Buffer Strips) between 1 April 2021 and 31 March 2027. The full grant provision for the Flood and Coastal Resilience Innovation Programme

has been reflected in the budget for year's 2021-2027 and is based on early allocations that may be subject to change. Future reports will be presented to the relevant Portfolio Holder as project phases are agreed.

5.5 Resources Portfolio

- 5.5.1** Vehicle Replacement – the reserve reflects the funding set aside at year-end for the purchase and ongoing replacement of the council's fleet in 2022/23 and future years. The uncertainty of current market conditions is resulting in increasing costs, reduced choice and availability of not just specialist vehicles. An underspend is forecast at the end of March 2023 but this will be fully spent in future years. A comprehensive review of the Vehicle Replacement Programme is to be undertaken, with an update to follow in the January capital monitoring report.
- 5.5.2** Citizen Access Portal – the new system went live in June 2021 and the live chat module and further integration of the system has still to be installed. It is set to be completed within budget at the end of March 2023.
- 5.5.3** Public Sector Decarbonisation at Fleetwood Market – this project has been delayed due to the detailed design taking longer than originally planned and further works are required to the roof in particular. A further report is expected to follow in due course.
- 5.5.4** Copse Road Depot VMU roller shutter doors – three out of the five new roller shutter doors have been fitted at the depot. Since starting the project, additional work has been highlighted that will need addressing prior to fitting the remaining two doors and revised costings are currently being assessed.
- 5.5.5** Acquisition of fish and food processing commercial units – the purchase of commercial units from Associated British Ports was completed in August 2022.

5.6 Planning and Economic Development Portfolio

- 5.6.1** Fleetwood Heritage Action Zone (HAZ) – the process of working with property owners is slower than anticipated. The grant for £490,000 for a new roof for Fleetwood Market has been approved by Historic England. It is anticipated that the budget will be fully utilised by the end of March 2023.

5.7 Street Scene, Parks and Open Spaces Portfolio

- 5.7.1** Restoration of the Mount – the scheme has slipped but is on target for the budget to be spent by the end of March 2023.
- 5.7.2** Play area and playing field improvements underspends:
- Jubilee Gardens – timing of spend linked to Wyre Beach

Management project. The site compound may be in place until 2025/26;

- Preesall Playing Fields – residue of budget for 2022/23 to be combined with Section 106 monies expected in 2023/24 and a future report will be presented to the relevant Portfolio Holder as the project is finalised;
- King George’s Playing Fields– permissions from Wyre Rivers Trust via the Environment Agency will not be granted in 2022/23 and the project will be delayed to July 2023;
- Scotts Green Playing Fields – residue of budget for 2022/23 to be combined with Section 106 monies expected in 2023/24 and a future report will be presented to the relevant Portfolio Holder as the project is finalised.

5.8 Capital grants, contributions and receipts

5.8.1 The disposal of Bourne Way in May has resulted in a capital receipt for 2022/23 of £5,715,000, less any deductions.

5.8.2 There has been an increase in external funding in the years from 2022/23 to 2026/27 since the Original Capital Programme was approved by Cabinet on 16 February 2022. Details of these changes are shown below:

Scheme	External Funding Secured (£)	Funding From	Funding to be Spent
Public Sector Decarbonisation at Fleetwood market	999,468	Department for Business Energy and Industrial Strategy (BEIS) via the Public Sector Decarbonisation Scheme	2022/23
Innovative Resilience Fund ECO-CoBS	6,337,000	Environment Agency	2022/23 – 2026/27
Disabled Facilities Grants	75,000	Regenda	2022/23
Changing Places Facilities- Central Car Park, Fleetwood	53,520	Department for Levelling Up, Housing and Communities Fleetwood Town Council	2022/23
Changing Places Facilities - Wyre Estuary Country Park -Thornton	84,480	Department for Levelling Up, Housing and Communities	2023/24

5.9 Future Projects

- 5.9.1** The UK Shared Prosperity Fund (UKSPF) is a new three-year fund running from 2022/23 that will replace European Structural and Investment Funds (ESIFs) such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Wyre Council has been awarded a funding total allocation from the Government of £3,949,132 of which it is currently forecast the majority will be spent on capital projects involving local regeneration.
- 5.9.2** Wyre Council has received an indicative allocation of £400,000 of funding covering the 2023/24 and 2024/25 financial years, from the Rural England Prosperity Fund (Rural Fund). This scheme, funded by the Department for Environment, Food and Rural Affairs (Defra), will be aimed at capital projects for small businesses and community infrastructure.
- 5.9.3** Improved ICT Cyber Resilience and Disaster Recovery measures are required which entail the purchase of specialist hardware and software in order to build a resilient infrastructure for use in the event of a disruptive or destructive event, such as an environmental disaster or cyber-attack.
- 5.9.4** Further reports will be presented via the relevant approval process as the schemes and phasing are agreed.

Financial and legal implications	
Finance	<p>The Capital Programme through to 2026/27 is fully funded utilising external grants and contributions, capital receipts and funding from earmarked reserves.</p> <p>The Capital Programme expenditure, following the review as at the end of August 2022, and the funding indicated in Appendix 1 (2022/23 through to 2026/27) requires use of Capital Receipts, the Vehicle Replacement Reserve, the Insurance Fund Reserve, the Value for Money Reserve, the Capital Investment Reserve and the Property Investment Reserve (as shown in Appendix 3).</p>
Legal	None arising directly from this report

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

Report Author	Telephone No.	Email	Date
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List of Background Papers:		
Name of Document	Date	Where available for inspection
None		

List of appendices

Appendix 1 – Capital Programme and Funding 2022/23 – 2026/27

Appendix 2 – 2022/23 Expenditure and Funding Changes and project year-end position as at 31 August 2022 Review

Appendix 3 – Reserves position as at 31 August 2022 review

Appendix 4 – Extract from 2021/22 Final Accounts report Appendix 2 – Table 2 to Audit Committee 27 September 2022

Appendix 5 – Prudential & Treasury Indicators and Liability Benchmark